

AMENDED IN ASSEMBLY APRIL 20, 2005

AMENDED IN ASSEMBLY APRIL 4, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 624

Introduced by Assembly Member Montanez
(Coauthor: Assembly Member Cohn)

February 17, 2005

An act to amend Section 12693.41 of, and to add Section 12693.701 to, the Insurance Code, and to amend Sections 14011.7 and 14011.8 of, and to add Section 14005.42 to, the Welfare and Institutions Code, relating to child health.

LEGISLATIVE COUNSEL'S DIGEST

AB 624, as amended, Montanez. Medi-Cal program: Healthy Families Program: Child Health and Disability Prevention (CHDP) program.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care benefits.

Existing law establishes the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health services to an eligible person.

Existing law requires the department and the board to implement a program for preenrollment of children into the Medi-Cal program and the Healthy Families Program.

Existing law establishes the Child Health and Disability Prevention (CHDP) program, administered by the department, to provide early and periodic assessments of the health status of children.

This bill would require the department and the board to deem to have met the income documentation requirements for participation in the Healthy Families Program and the Medi-Cal program any child who meets the income eligibility requirements for participation in the CHDP program and who is preenrolled in the CHDP gateway program.

Under existing law, benefits under the Medi-Cal program provided to an individual pursuant to a preliminary determination end, without the necessity for any further review or determination by the department, on or before the last day of the month following the month in which the preliminary determination was made, unless an application for medical assistance is filed on or before that date. If an application for medical assistance is filed before this deadline, preliminary benefits continue until the regular eligibility determination based on the application has been completed.

Existing law requires the department to develop an electronic application to serve as the application for preenrollment into the Medi-Cal program or the Healthy Families Program and to also serve as an application for the CHDP program.

This bill would require, by July 1, 2006, the department to modify the electronic preenrollment application process to include a process to be used, at the option *and with the written consent* of the person applying on the child's behalf, to simultaneously preenroll and apply for enrollment into the Healthy Families Program or Medi-Cal program, which shall include an application to provide for continuing preliminary benefits until a final eligibility determination is made.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12693.41 of the Insurance Code is
- 2 amended to read:
- 3 12693.41. (a) The board shall consult and coordinate with
- 4 the State Department of Health Services in implementing,
- 5 pursuant to Sections 14011.7 and 14011.8 of the Welfare and
- 6 Institutions Code, a preenrollment program into the Healthy
- 7 Families Program or Medi-Cal program, as well as a process, to
- 8 be used at the option *with written consent* of the person applying
- 9 on the child's behalf, to simultaneously preenroll and apply for

enrollment into the Healthy Families Program or Medi-Cal program, which shall include the application described in subparagraph (B) of paragraph (1) of subdivision (e) of Section 14011.7 of the Welfare and Institutions Code and shall provide for continuing preliminary benefits within the meaning of subdivision (b) of Section 14011.8 of the Welfare and Institutions Code until a final eligibility determination is made. The board shall accept the electronic application provided for in subparagraph (B) of paragraph (1) of subdivision (e) of Section 14011.7 of the Welfare and Institutions Code as an application for the Healthy Families Program. Preenrollment and continuing preliminary benefits shall be administered by the State Department of Health Services to provide full-scope benefits pursuant to Medi-Cal program requirements, at no cost to the applicant.

(b) The board may use the state fiscal intermediary for Medicaid to process the eligibility determinations and payments required pursuant to Section 14011.7 of the Welfare and Institutions Code.

(c) The board shall be exempt from the requirements of Chapter 7 (commencing with Section 11700) of Division 3 of Title 2 of the Government Code and Chapter 3 (commencing with Section 12100) of Part 2 of Division 2 of the Public Contract Code as those requirements apply to the use of processing services by the state fiscal intermediary.

(d) The board, in consultation with the State Department of Health Services, may adopt emergency regulations to implement, pursuant to Section 14011.7 of the Welfare and Institutions Code, a preenrollment program into the Healthy Families Program or the Medi-Cal program, or a process, to be used at the option *with written consent* of the person applying on the child's behalf, to simultaneously preenroll and apply for enrollment into the Healthy Families Program or Medi-Cal program. The emergency regulations shall include, but not be limited to, regulations that implement any changes in rules relating to eligibility, enrollment, and disenrollment in the programs pursuant to Sections 12693.45 and 12693.70. The initial adoption of emergency regulations and one readoption of the initial regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, and general welfare. Initial

1 emergency regulations and the first readoption of those
2 regulations shall be exempt from review by the Office of
3 Administrative Law. The initial emergency regulations and one
4 readoption of those regulations authorized by this section shall be
5 submitted to the Office of Administrative Law for filing with the
6 Secretary of State and publication in the California Code of
7 Regulations and each shall remain in effect for no more than 180
8 days.

9 (e) This section shall become operative on April 1, 2003.

10 SEC. 2. Section 12693.701 is added to the Insurance Code, to
11 read:

12 12693.701. (a) Notwithstanding any other law, the board
13 shall deem to have met the income documentation requirements
14 for participation in the Healthy Families Program any child who
15 meets the income eligibility requirements for participation in the
16 Child Health and Disability Prevention (CHDP) program
17 pursuant to Article 6 (commencing with Section 124025) of
18 Chapter 3 of Part 2 of Division 106 of the Health and Safety
19 Code and who is preenrolled in the CHDP gateway program
20 pursuant to Section 12693.41.

21 (b) The board shall seek approval of any amendments to the
22 state plan necessary to implement this section, for purposes of
23 funding under Title XXI of the federal Social Security Act (42
24 U.S.C. Sec. 1397aa et seq.). Notwithstanding any other law, this
25 section shall be implemented only to the extent that federal
26 financial participation is available.

27 SEC. 3. Section 14005.42 is added to the Welfare and
28 Institutions Code, to read:

29 14005.42. (a) Notwithstanding any other law, the department
30 shall deem to have met the income documentation requirements
31 for participation in the Medi-Cal program, without share of cost,
32 any child who meets the income eligibility requirements for
33 participation in the Child Health and Disability Prevention
34 (CHDP) program pursuant to Article 6 (commencing with
35 Section 124025) of Chapter 3 of Part 2 of Division 106 of the
36 Health and Safety Code and who is preenrolled in the CHDP
37 gateway program pursuant to Section 12693.41 of the Insurance
38 Code.

39 (b) The department shall seek approval of any amendments to
40 the state plan necessary to implement this section, for purposes of

1 funding under Title XIX of the federal Social Security Act (42
2 U.S.C. Sec. 1396 et seq.). Notwithstanding any other law, this
3 section shall be implemented only to the extent that federal
4 financial participation is available.

5 SEC. 4. Section 14011.7 of the Welfare and Institutions Code
6 is amended to read:

7 14011.7. (a) To the extent allowed under federal law and
8 only if federal financial participation is available, the department
9 shall exercise the option provided in Section 1396r-1a of Title 42
10 of the United States Code and the Managed Risk Medical
11 Insurance Board shall exercise the option provided in Section
12 1397gg(e)(1)(D) of Title 42 of the United States Code to
13 implement a program for preenrollment of children into the
14 Medi-Cal program or the Healthy Families Program and to
15 provide a process to, at the applicant's option *with written*
16 *consent*, simultaneously preenroll and apply for enrollment into
17 the Healthy Families Program or Medi-Cal program that includes
18 the application described in subparagraph (B) of paragraph (1) of
19 subdivision (e) and provides for continuing preliminary benefits
20 within the meaning of subdivision (b) of Section 14011.8 until a
21 final eligibility determination is made. Upon the exercise of both
22 of the federal options described in this subdivision, the
23 department shall implement and administer a program of
24 preenrollment of children into the Medi-Cal program or the
25 Healthy Families Program and of continuing preliminary benefits
26 pursuant to this section.

27 (b) (1) Before July 1, 2006, the department shall develop an
28 electronic application to serve, at the applicant's option *with*
29 *written consent*, as any one or combination of the following, to
30 the extent permitted by federal law:

31 (A) An application for preenrollment into the Medi-Cal
32 program or the Healthy Families Program.

33 (B) A simultaneous application for both preenrollment and
34 enrollment into the Medi-Cal program or Healthy Families
35 Program. The application provided under this subparagraph shall
36 be consistent with the provisions of subparagraph (B) of
37 paragraph (1) of subdivision (e).

38 (C) An application for the Child Health and Disability
39 Prevention (CHDP) program.

(2) The department shall consult with representatives of consumers, counties, and medical providers in developing as required by this subdivision the preenrollment and enrollment application and process and, if any are necessary, followup procedures.

(3) The department may, at its option, also use the electronic application developed pursuant to *subparagraph (A) of paragraph (1)*, as a means to enroll newborns into the Medi-Cal program as is authorized under Section 1396a(e)(4) of Title 42 of the United States Code.

(c) (1) The department may designate, as necessary, those CHDP program providers described in paragraphs (1) to (5), inclusive, of subdivision (g) of Section 124030 of the Health and Safety Code as qualified entities who are authorized to determine eligibility for the CHDP program, for preenrollment into either the Medi-Cal program or the Healthy Families Program, and for continuing preliminary benefits within the meaning of subdivision (b) of Section 14011.8, as authorized under this section.

(2) The CHDP provider shall assist the parent or guardian of the child seeking eligibility for the CHDP program and for preenrollment, or both preenrollment and enrollment, into the Medi-Cal program or the Healthy Families Program in completing the electronic application.

(d) The electronic application developed pursuant to subdivision (b) may only be filed through the CHDP program when the child is in need of CHDP program services in accordance with the periodicity schedule used by the CHDP program.

(e) (1) (A) The electronic application developed pursuant to paragraph (1) of subdivision (b) shall request all information necessary for a CHDP provider to make an immediate determination as to whether a child meets the eligibility requirements for CHDP, for preenrollment into either the Medi-Cal program or the Healthy Families Program, *at the applicant's option with written consent*, or for both preenrollment and continuing preliminary benefits within the meaning of subdivision (b) of Section 14011.8, pursuant to the federal options described in Section 1396r-1a or 1397gg(e)(1)(D) of Title 42 of the United States Code.

(B) The electronic enrollment application developed for purposes of subparagraph (B) of paragraph (1) of subdivision (b) shall be the simplest permitted by federal law adequate to constitute an application for medical assistance and shall request only the information that is necessary to provide the child with continuing preliminary benefits within the meaning of subdivision (b) of Section 14011.8 until the final eligibility determination is made pursuant to the federal options described in Section 1396r-1a or Section 1397gg(e)(1) of Title 42 of the United States Code and to the extent federal financial participation is available. The followup procedures for this application, if any are necessary, shall be the simplest permitted by federal law to qualify for federal financial participation. *Any child whose parent or guardian does not provide any necessary documentation shall be denied eligibility.*

(2) (A) If the electronic application indicates that the child is seeking eligibility for either no cost full-scope Medi-Cal benefits or enrollment in the Healthy Families Program, the applicant shall be given the option to simultaneously submit, along with the preenrollment application, the electronic application for enrollment into the Medi-Cal program or Healthy Families Program, provided for in subparagraph (B) of paragraph (1) of subdivision (b).

(B) The date of application for the Medi-Cal program or the Healthy Families Program is the date the optional electronic enrollment application provided for in subparagraph (B) of paragraph (1) of subdivision (b) is submitted or the date another application for the Medi-Cal program or Healthy Families Program is submitted with the appropriate entity by the parent or guardian, whichever is earlier.

(3) Upon making a determination pursuant to paragraph (1) that a child is eligible, the CHDP provider shall inform the child's parent or guardian of both of the following:

(A) That the child has been determined to be eligible for services under the CHDP program and, if applicable, eligible for preenrollment into either the Medi-Cal program or the Healthy Families Program, and, if applicable, eligible for both preenrollment and continuing preliminary benefits until a final eligibility determination as to the child's eligibility for the Medi-Cal program or the Healthy Families Program is made.

(B) That if the child has been determined to be eligible for preenrollment into either the Medi-Cal program or the Healthy Families Program, but did not simultaneously submit the electronic enrollment application, the period of preenrollment eligibility will end on the last day of the month following the month in which the determination of preenrollment eligibility is made, unless the parent or guardian completes and returns to the appropriate entity an application for the Medi-Cal program or Healthy Families Program on or before that date.

(4) If the optional electronic application for enrollment described in subparagraph (B) of paragraph (1) of subdivision (b) or another application for the Medi-Cal program or Healthy Families Program is submitted on or before the last day of the month following the month in which a determination is made that the child is eligible for preenrollment into either the Medi-Cal program or the Healthy Families Program, the period of preenrollment eligibility shall continue as preliminary benefits within the meaning of subdivision (b) of Section 14011.8, until the completion of the determination process for the applicable program or programs.

(f) The scope and delivery of benefits provided to a child who is preenrolled for the Healthy Families Program, who is preenrolled for the Medi-Cal program, or whose preliminary benefits are continued pursuant to this section, shall be identical to the scope and delivery of benefits received by a child who is enrolled in the Medi-Cal program pursuant to this chapter.

(g) The department and the Managed Risk Medical Insurance Board shall seek approval of any amendments to the state plan, necessary to implement this section, for purposes of funding under Title XIX (42 U.S.C. Sec. 1396 et seq.) and Title XXI (42 U.S.C. Sec. 1397aa et seq.) of the Social Security Act. Notwithstanding any other provision of law and only when all necessary federal approvals have been obtained, this section shall be implemented only to the extent federal financial participation is available.

(h) Upon the implementation of this section, this section shall control in the event of a conflict with any provision of Article 6 (commencing with Section 124025) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code governing the Child Health and Disability Prevention program.

1 (i) To implement this section, the department may contract
2 with public or private entities, or utilize existing health care
3 service provider enrollment and payment mechanisms, including
4 the Medi-Cal program's fiscal intermediary, only if services
5 provided under the program are specifically identified and
6 reimbursed in a manner that appropriately claims federal
7 financial reimbursement. Contracts, including the Medi-Cal
8 fiscal intermediary contract for the Child Health and Disability
9 Prevention Program, including any contract amendment, any
10 system change pursuant to a change order, and any project or
11 systems development notice shall be exempt from Part 2
12 (commencing with Section 10100) of Division 2 of the Public
13 Contract Code, Section 19130 of the Government Code, and any
14 policies, procedures, or regulations authorized by these laws.

15 (j) Notwithstanding Chapter 3.5 (commencing with Section
16 11340) of Part 1 of Division 3 of Title 2 of the Government
17 Code, the department shall implement this section by means of
18 all-county letters or similar instructions, without taking any
19 further regulatory action. Thereafter, the department shall adopt
20 regulations, as necessary, to implement this section in accordance
21 with the requirements of Chapter 3.5 (commencing with Section
22 11340) of Part 1 of Division 3 of Title 2 of the Government
23 Code.

24 (k) Notwithstanding subdivision (g), in no event shall this
25 section be implemented before April 1, 2003.

26 SEC. 5. Section 14011.8 of the Welfare and Institutions Code
27 is amended to read:

28 14011.8. (a) Benefits provided to an individual pursuant to a
29 preliminary determination as described in Section 1396r-1,
30 1396r-1a, or 1396r-1b of Title 42 of the United States Code shall
31 end, without the necessity for any further review or
32 determination by the department, on or before the last day of the
33 month following the month in which the preliminary
34 determination was made, unless an application for medical
35 assistance under the state plan is filed on or before that date. The
36 application described in subparagraph (B) of paragraph (1) of
37 subdivision (e) of Section 14011.7 shall be treated as an
38 application for medical assistance under the state plan for
39 purposes of this section.

1 (b) If an application for medical assistance is filed on or before
2 the last day of the month following the month in which the
3 preliminary determination was made, preliminary benefits shall
4 continue until the regular eligibility determination based on the
5 application has been completed. The application shall be treated
6 in all respects as an initial application for benefits and the
7 following shall apply:

8 (1) In the case of an applicant who is found eligible for
9 medical assistance, benefits shall be granted in an amount and
10 under those conditions, including imposition of a share of cost, as
11 have been found applicable pursuant to the regular eligibility
12 determination.

13 (2) In the case of all other applicants, provision of preliminary
14 benefits shall end on the day that the regular eligibility
15 determination is made.

16 (c) Notwithstanding any other provision of law, medical
17 assistance pursuant to a preliminary determination as described
18 in Section 1396r-1, 1396r-1a, or 1396r-1b of Title 42 of the
19 United States Code shall be provided only if and to the extent
20 federal financial participation is available.